

WORKING OPPORTUNITY FUND (EVCC) LTD.

Venture Series:

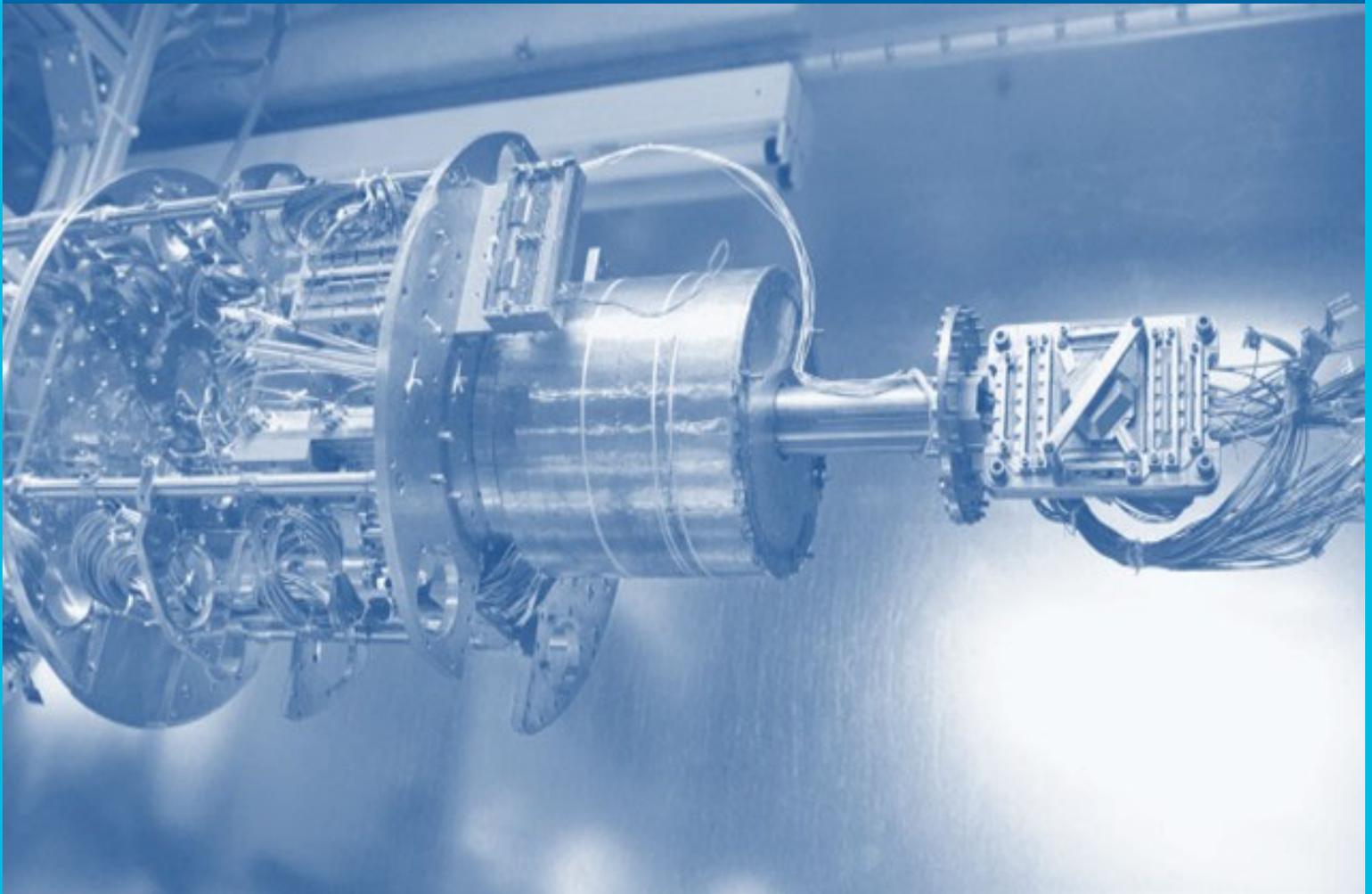
Balanced Shares (series 1 & 2)

Commercialization Series:

Commercialization Shares (series 2) (the “05 Commercialization Shares”)

2020 Condensed Interim Financial Statements (unaudited)

For the six months ended June 30, 2020
(expressed in Canadian dollars)



NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

These Semi-Annual Financial Statements have not been reviewed by an auditor in accordance with standards established by the Chartered Professional Accountants of Canada.

Working Opportunity Fund

Shareholder Update – June 30, 2020

To our shareholders,

The year began with unprecedented volatility in the world due to the COVID-19 pandemic and its global impact on various geopolitical events and civil unrest that has followed. In March, the Fund and its manager, PenderFund Capital Management Ltd. (“Pender”), took precautionary steps to help keep employees and community safe as we work through COVID-19 together. Pender implemented a Work From Home (“WFH”) initiative and will continually assess the situation and respond accordingly to make adjustments as necessary. Pender is well equipped to work remotely and can continue to perform all investment activities, including working with the Fund’s portfolio companies to help them manage through these times as best as possible.

The impact of COVID-19 has been felt throughout the portfolio although it is difficult at this time to estimate the ultimate impact or duration of the situation on the Fund. In the case of two portfolio holdings who were in active M&A discussions, the buyers retreated and pulled out of those negotiations, for now, as the buyers are trying to grapple with the longer term effects of COVID-19 on their own business. For one of these portfolio companies, the impact to WOF was a reduction in the investment carrying value of \$4.3 million for the Venture Series in June 2020, representing a reduction in net asset value of approximately 7.0%. While a very disappointing outcome, it unfortunately is representative of the current volatility of the M&A markets at this time. On the other hand, many technology companies whose solutions help support remote work or are providing key solutions in health are performing well. One such company, a portfolio holding of Venture Series, Teradici, whose technology helps facilitate the various WFH initiatives around the globe, has benefited from strong sales.

The Board and Fund continue to focus on the stated two key objectives: cost reductions and enhancing liquidity options for shareholders.

The Board and Special Committee have been considering a number of options with respect to Commercialization Series, taking into account portfolio composition and liquidity options. As a result of that review, in July 2020, the Fund paid out a \$3.8 million dividend (\$3.79 per share) for the Commercialization Series and closed redemptions. The dividend represented over 60% of Commercialization Series’ pricing net asset value. The Fund also made the decision to cease payment of trailer commissions to dealers for Commercialization Series. With a smaller portfolio and the ceasing of trailers, costs have been reduced while the Manager continues to seek to monetize the remaining private venture investments.

Despite the backdrop of continued volatility and economic uncertainty, we remain steadfastly committed to seeking to find ways to reduce costs and enhance liquidity at good values for you, our shareholders. Now more than ever, we need to optimize timing and structure given capital market conditions and the strength of the underlying portfolio.

A summary of the key portfolio companies held by each of the Venture Series and Commercialization Series is provided below.

Venture Series Portfolio

The companies in the Venture Series investment portfolio are primarily in the information technology industry and clean technologies sectors. A description of the top three investments is provided below.

- Copperleaf develops and sells software that is used by utilities for asset investment planning & management (“AIPM”). The company uses real-time data and extensive knowledge on asset management to help energy companies find the balance between maximizing profitability and minimizing risk and cost.
- General Fusion is developing a commercial nuclear fusion energy power plant to generate electricity for residential and industrial customers.
- Teradici creates secure virtual workspaces, through its PCoIP technology, which powers the spectrum of local, remote, mobile and collaborative work styles, simplifying how computing is provisioned, managed, and used throughout multi-cloud environments.

Commercialization Series Portfolio

The companies in the Commercialization Series investment portfolio are all in the information technology sector. A description of the key investments is provided below.

- BuildDirect is a home improvement ecommerce business. BuildDirect specializes in shipping heavy building materials direct to homes and job sites in Canada and the United States.
- Inetco provides real-time transaction monitoring software for a variety of payment processing and banking environments.

Our Outlook

With no certainty around the end of the pandemic and continued geopolitical tensions, the overall market volatility is likely to continue for some time. However, many technology companies are the beneficiaries of the accelerated digitization trend due to COVID-19, including certain companies in each of the Venture Series and Commercialization Series portfolios. While investment activity has slowed, it is still at healthy levels compared to historical trends, and we have seen a rebound across many stock market indices in North America, including the opening up of the IPO window in both the US and Canada for select companies. These factors may strengthen the potential exit environment; however, this situation can change as the magnitude of the longer term economic impact of COVID-19 remains uncertain. In the meantime, the Board and Manager will work to operate the Fund cost effectively and support the current holdings in the portfolio companies and will continue to examine ways to enhance liquidity options including assessing the potential for a possible reorganization and considering further strategic options.

On behalf of the board and management of the Fund, I thank our shareholders for their continued patience and investment in the Fund. We hope you and your family are keeping healthy and safe during these uncertain times.

Yours truly,



Cindy Oliver

On behalf of the Board of Directors Working Opportunity Fund (EVCC) Ltd.

Forward Looking Statements and Disclaimer: This report contains forward looking statements which primarily relate to the Fund's plans, objectives, expectations and intentions and including statements made regarding operating the Fund cost effectively and examining options for enhanced liquidity for Shareholders including assessing the potential for a possible future reorganization of Fund assets and considering other strategic options, the impact of COVID-19 on the Fund and its portfolio companies, the financing needs of portfolio companies and the availability of capital to satisfy such financing needs, performance and development and value of the portfolios, future economic and market conditions including those resulting from COVID-19 and measures taken for its containment, the targeted timing of, ability to complete, and amount of proceeds from, venture portfolio exits, and the ability to maximize value for shareholders. All forward looking statements are based on management's current beliefs and assumptions on a range of factors which are subject to numerous known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements include the impact of COVID-19 on the Fund and its portfolio companies, M&A and IPO market conditions including those resulting from COVID-19 and measures taken for its containment , performance and stage of development of portfolio companies, examining options for enhanced liquidity for Shareholders including assessing the potential for a possible future reorganization of Fund assets and considering other strategic options, the ability of the complete exits and to meet other operating commitments and operate the Fund cost effectively. Certain information contained in this report is provided by/based on information from third party sources and while we believe it to be reliable, we cannot guarantee its accuracy or completeness. There can be no guarantee as to the outcome of the examination of options for enhanced liquidity and/or consideration of other strategic options and/or the impact of COVID-19 on the Fund and its portfolio companies. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Neither the Fund nor Pender assumes any obligation to update any forward-looking statements made in this report.

Unaudited Semi-Annual Financial Statements of

**WORKING OPPORTUNITY
FUND (EVCC) LTD.**

Six months ended June 30, 2020

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(Expressed in Canadian Dollars)

June 30, 2020 and December 31, 2019

	Notes	2020	2019
Assets			
Cash		\$ 1,172,003	\$ 2,442,742
Accounts receivable		302,746	194,597
Accrued interest receivable		483	3,841
Venture investments	4, 6, 14	55,455,906	60,722,707
Total Assets		56,931,138	63,363,887
Liabilities			
Other accounts payable and accrued liabilities		432,701	534,689
Total Liabilities		432,701	534,689
Net assets, attributable to holders of Balanced Shares			
		\$ 56,498,437	\$ 62,829,198
Net assets, attributable to holders of Balanced Shares per series			
Balanced Shares (series 1)		\$ 15,803,566	\$ 17,382,393
Balanced Shares (series 2)		40,694,871	45,446,805
		\$ 56,498,437	\$ 62,829,198
Balanced Shares outstanding per series			
	8		
Balanced Shares (series 1)		4,013,041	4,013,041
Balanced Shares (series 2)		12,421,473	12,421,473
Net assets, attributable to holders of Balanced Shares per share			
Balanced Shares (series 1)		\$ 3.94	\$ 4.33
Balanced Shares (series 2)		3.28	3.66

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on August 25, 2020:

"Nikolas O. Worhaug" Director "Cindy Oliver" Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	Notes	2020	2019
Income			
Investment income			
Interest - venture investments		\$ -	\$ 1,458
Interest - bonds, deposits and other investments		9,220	30,861
Net realized gain (loss) from the sale of			
Venture investments		-	77,709
Bonds, deposits and other investments		-	(8,699)
Net change in unrealized appreciation (depreciation) of investments			
Venture investments		(5,266,801)	2,145,034
Bonds, deposits and other investments		-	13,499
Total revenue		(5,257,581)	2,259,862
Expenses			
Management and administration fees	11	504,884	939,198
Custody and recordkeeping fees		208,688	216,149
Professional fees		194,808	277,712
Operating expenses		143,532	159,454
Directors' fees		14,924	12,786
Independent review committee costs		5,763	4,234
Other expenses		581	704
Total expenses		1,073,180	1,610,237
Net increase (decrease) in net assets attributable to holders of Balanced Shares		\$ (6,330,761)	\$ 649,625
Net increase (decrease) in net assets attributable to holders of Balanced Shares per series			
Balanced Shares (series 1)		\$ (1,578,827)	\$ 109,103
Balanced Shares (series 2)		(4,751,934)	540,522
Weighted average Balanced Shares outstanding during the period			
Balanced Shares (series 1)		4,013,041	4,013,041
Balanced Shares (series 2)		12,421,473	12,421,473
Increase (decrease) in net assets attributable to holders of Balanced Shares per share			
Balanced Shares (series 1)		\$ (0.39)	\$ 0.03
Balanced Shares (series 2)		(0.38)	0.05

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets (Unaudited)
 Attributable to Venture Series – Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	<u>Balanced Shares (series 1)</u>		<u>Balanced Shares (series 2)</u>		<u>Balanced Shares (series 1 & 2)</u>	
	Six months ended		Six months ended		Six months ended	
	June 30,		June 30,		June 30,	
	2020	2019	2020	2019	2020	2019
Net assets attributable to holders of Balanced Shares, beginning of period	\$ 17,382,393	\$ 23,166,401	\$ 45,446,805	\$ 63,026,850	\$ 62,829,198	\$ 86,193,251
Net increase (decrease) in net assets attributable to holders of Balanced Shares	(1,578,827)	109,103	(4,751,934)	540,522	(6,330,761)	649,625
Net assets attributable to holders of Balanced Shares, end of period	\$ 15,803,566	\$ 23,275,504	\$ 40,694,871	\$ 63,567,372	\$ 56,498,437	\$ 86,842,876

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Net increase (decrease) in net assets attributable to holders of Balanced Shares	\$ (6,330,761)	\$ 649,625
Adjustments for:		
Interest - venture investments	-	(1,458)
Interest - bonds, deposits and other investments	(9,220)	(30,861)
Net realized gain (loss) from the sale of venture investments	-	(77,709)
Net realized gain (loss) from the sale of bonds, deposits and other investments	-	8,699
Net change in unrealized (appreciation) depreciation of venture investments	5,266,801	(2,145,034)
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	-	(13,499)
Divestment proceeds receivable	-	-
Accounts receivable	(108,149)	(35,816)
Accrued service fees payable	-	(105,162)
Other accounts payable and accrued liabilities	(101,988)	(91,651)
	(1,283,317)	(1,842,866)
Proceeds on disposal of investments		
Venture investments	-	570,388
Bonds, deposits and other investments	-	4,015,901
Purchase of investments	-	-
Interest received	12,578	208,087
	(1,270,739)	2,951,510
Financing:		
	-	-
Net increase (decrease) in cash during the period	(1,270,739)	2,951,510
Cash, beginning of period	2,442,742	485,476
Cash, end of period	\$ 1,172,003	\$ 3,436,986

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited)
Venture Series – Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

June 30, 2020

Investee Companies	Number of shares	Cost \$	Percentage of net assets %
VENTURE INVESTMENTS			
Information Technology			
Seed Stage			
Bootup Labs (VCC) Inc., Class C Common Shares	20,000	\$ 200,000	
Highline, Canada AcceleratorCo Inc., Class GL-1 Special Shares	26,690	81,446	
Highline, Canada AcceleratorCo Inc., Common Shares	26,690	-	
Early Stage			
Copperleaf Technologies Inc., Class B-2 Preferred Shares	7,657,847	2,000,028	
DWSI Holdings Inc., Class A Common Shares	107,417	1,002,647	
DWSI Holdings Inc., Class A-1 Preferred Shares	1,125,478	6,361,655	
4300092 Canada Inc., Class A-1 Preferred Shares	3,418,803	4,000,914	
4300092 Canada Inc., Class A-2 Preferred Shares	1,611,135	2,256,514	
1150818 B.C. Ltd., Common Shares	33,746,116	4,425,949	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	52,268	3,563,281	
Teradici Corp., Class A-1 Preferred Shares	2,750,000	3,418,193	
Teradici Corp., Class A-2 Preferred Shares	1,527,777	2,060,544	
Teradici Corp., Class A-3 Preferred Shares	1,780,803	3,146,679	
Teradici Corp., Class A-4 Preferred Shares	1,747,377	4,144,172	
Teradici Corp., Class A-5 Preferred Shares	587,666	1,749,606	
Teradici Corp., Class A-3 Preferred Shares Warrants, Strike price US\$3.00, expiry date Jul. 31, 2020	50,000	-	
		38,411,628	67.98%
Cleantech			
Early Stage			
Arborgen Inc, 5% Common Share Warrant	1	-	
Cooledge Lighting Inc., Class A-1 Preferred Shares	394,256	365,149	
Cooledge Lighting Inc., Class A-2 Preferred Shares	1,716,405	1,451,545	
General Fusion Inc., Class A/B Preferred Shares	4,770,992	2,792,750	
General Fusion Inc., Class C/D Preferred Shares	2,173,610	1,754,670	
General Fusion Inc., Class G/H Preferred Shares	383,847	500,000	
General Fusion Inc., Common Shares	300,000	150,000	
Redlen Technologies Inc., Common Shares	3,862,870	5,780,859	
Switch Materials Inc., Class A-1 Preferred Shares	250,000	250,000	
Switch Materials Inc., Class A-2 Preferred Shares	625,000	750,000	
Switch Materials Inc., Class B-1 Preferred Shares	1,000,000	1,500,000	
Switch Materials Inc., Class C-1 Preferred Shares	514,285	503,861	
Switch Materials Inc., Class C-2 Preferred Shares	359,900	899,999	
Switch Materials Inc., Class A-2 Warrants Strike price \$1.20, expiry date Dec. 20, 2022	300,000	-	
		16,698,833	29.56%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited) - Continued

Venture Series – Balanced Shares (series 1 & 2)

(Expressed in Canadian Dollars)

June 30, 2020

VENTURE INVESTMENTS	Number of shares	Cost \$	Percentage of net assets %
Investee Companies			
Life Sciences			
Pre-clinical			
Boreal Genomics, Class B Preferred Shares	1,058,242	\$ 517,815	
Clinical			
Methylation Sciences Inc., Class A Preferred Shares	1,436,498	1,268,029	
Methylation Sciences Inc., Common Shares	1,500,000	1,500,731	
		3,286,575	5.82%
Total Venture Investments, Venture Series, at cost		58,397,036	103.36%
Unrealized appreciation (depreciation) of venture investments		(2,941,130)	-5.21%
Venture Investments, Venture Series, at fair value		\$ 55,455,906	98.15%

Stage of Development	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Seed / Pre-Clinical Stage	3	\$ 799,261	1.37%	\$ 192,053	0.34%
Early / Clinical Stage	10	39,515,300	67.67%	29,573,365	53.33%
Later Stage	2	18,082,475	30.96%	25,690,488	46.33%
	15	\$58,397,036	100.00%	\$ 55,455,906	100.00%

Sector	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Information Technology	8	\$38,411,628	65.78%	\$ 43,663,317	78.74%
Cleantech	5	16,698,833	28.59%	11,656,839	21.02%
Life Sciences	2	3,286,575	5.63%	135,750	0.24%
	15	\$58,397,036	100.00%	\$ 55,455,906	100.00%

Public vs. Private	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Private	15	\$58,397,036	100.00%	\$ 55,455,906	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position (Unaudited)

Commercialization Series - 05 Series

(Expressed in Canadian Dollars)

June 30, 2020 and December 31, 2019

	Notes	2020	2019
Assets			
Cash		\$ 5,319,567	\$ 8,369,592
Accounts receivable		8,690	2,979
Accrued interest receivable		4,668	15,753
Venture investments	4, 6, 14	1,422,029	1,573,585
Total Assets		6,754,954	9,961,909
Liabilities			
Accrued service fees payable	8	20,216	15,959
Other accounts payable and accrued liabilities		77,659	77,964
Accrued contingent incentive participation dividend	8, 11	497,448	497,448
Total Liabilities		595,323	591,371
Net assets, attributable to holders of Commercialization Series Shares			
		\$ 6,159,631	\$ 9,370,538
Commercialization Series Shares outstanding per series			
	8	1,003,468	1,423,581
Net assets, attributable to holders of Commercialization Series Shares per share			
	12	\$ 6.14	\$ 6.58

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on August 25, 2020:

"Nikolas O. Worhaug" Director "Cindy Oliver" Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income (Unaudited)

Commercialization Series - 05 Series

(Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	Notes	2020	2019
Income			
Investment income			
Interest - venture investments		\$ 17,452	\$ 92,956
Interest - bonds, deposits and other investments		35,549	69,837
Net realized gain (loss) from the sale of			
Venture investments		-	7,034
Bonds, deposits and other investments		-	(14,530)
Net change in unrealized appreciation (depreciation) of investments			
Venture investments		(151,556)	(653,449)
Bonds, deposits and other investments		-	15,301
Net change in conditional incentive participation dividend		-	21,463
Total revenue		(98,555)	(461,388)
Expenses			
Management and administration fees	11	57,972	168,349
Professional fees		23,898	45,838
Custody and recordkeeping fees		23,260	25,575
Service fees	8	20,216	37,140
Operating expenses		16,825	30,009
Directors' fees		1,774	1,962
Independent review committee costs		612	666
Other expenses		70	98
Total expenses		144,627	309,637
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares			
		\$ (243,182)	\$ (771,025)
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares per series:			
05 Series		\$ (243,182)	\$ (771,025)
Weighted average Commercialization Series Shares outstanding during the period			
05 Series		1,133,710	1,649,487
Increase (decrease) in net assets attributable to holders of Commercialization Series Shares per share:			
05 Series		\$ (0.21)	\$ (0.47)

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets (Unaudited)
Attributable to Commercialization Series - 05 Series
(Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	2020	2019
Net assets attributable to holders of Commercialization Series shares, beginning of period	\$ 9,370,538	\$ 16,706,815
Increase/(decrease) in net assets attributable to holders of Commercialization Series shares	(243,182)	(771,025)
Payments for redemption of shares	(2,967,725)	(3,109,533)
Net assets attributable to holders of Commercialization Series shares, end of period	\$ 6,159,631	\$ 12,826,257

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows (Unaudited)

Commercialization Series - 05 Series

(Expressed in Canadian Dollars)

Six months ended June 30, 2020 and 2019

	2020	2019
Cash provided by (used in):		
Operating		
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares	\$ (243,182)	\$ (771,025)
Adjustments for:		
Interest - venture investments	(17,452)	(92,956)
Interest - bonds, deposits and other investments	(35,549)	(69,837)
Net realized gain (loss) from the sale of venture investments	-	(7,034)
Net realized gain (loss) from the sale of bonds, deposits and other investments	-	14,530
Net change in unrealized (appreciation) depreciation of venture investments	151,556	653,449
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	-	(15,301)
Net change in conditional incentive participation dividend	-	(21,463)
Accounts receivable	(5,711)	(2,966)
Accrued service fees payable	4,257	(5,859)
Other accounts payable and accrued liabilities	(305)	43,910
	(146,386)	(274,552)
Proceeds on disposal of investments		
Venture investments	-	6,012,807
Bonds, deposits and other investments	-	5,554,283
Purchase of investments	-	-
Interest received	64,086	317,600
	(82,300)	11,610,138
Financing		
Payments of redemption of shares	(2,967,725)	(3,069,710)
	(2,967,725)	(3,069,710)
Net increase (decrease) in cash during the period	(3,050,025)	8,540,428
Cash, beginning of period	8,369,592	535,389
Cash, end of period	\$ 5,319,567	\$ 9,075,817

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited)

Venture Investments, Commercialization Shares, 05 Series

(Expressed in Canadian Dollars)

June 30, 2020

VENTURE INVESTMENTS	Number of shares / par value (\$)	Cost \$	Percentage of net assets %
Investee Companies			
Information Technology			
Early Stage			
DWSI Holdings Inc., Class A Common Shares	129,954	\$ 862,283	
DWSI Holdings Inc., Class A-1 Preferred Shares	368	-	
INETCO Systems Ltd., Class C-2 Preferred Shares	2,347,667	2,351,731	
INETCO Systems Ltd., Common Shares	1,173,333	-	
INETCO Systems Ltd., Common Shares Warrants, Strike price \$0.75, expiry date Mar 31, 2021	66,666	-	
INETCO Systems Ltd., Convertible loan, 14%, due Sep 29, 2020	250,000	250,000	
4300092 Canada Inc., Promissory Note, 14%, due Dec 31, 2020	750,000	219,597	
4300092 Canada Inc., Promissory Note, 8%, due Dec 31, 2020	650,000	651,770	
Sandbox Technologies Inc. (dba Vitrium Systems Inc.), Common Shares	15,714,286	1,150,000	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	150,720	523,679	
BuildDirect.com Technologies Inc., Class AA-2 Preferred Shares	484,693	500,042	
Teradici Corp., Class A-3 Preferred Shares Warrants, Strike price US\$3.00, expiry date Jul 31, 2020	50,000	-	
Total Venture Investments, at cost		6,509,102	105.67%
Unrealized appreciation (depreciation) of venture investments		(5,087,073)	-82.59%
Total Venture Investments, Commercialization Series, at fair value		\$ 1,422,029	23.09%

Stage of Development	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Early Stage	4	\$ 5,485,381	84.27%	\$ 881,690	62.00%
Later Stage	2	1,023,721	15.73%	540,339	38.00%
	6	\$ 6,509,102	100.00%	\$ 1,422,029	100.00%

Sector	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Information Technology	6	\$ 6,509,102	100.00%	\$ 1,422,029	100.00%

Public vs. Private	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Private	6	\$ 6,509,102	100.00%	\$ 1,422,029	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

1. Incorporation and nature of operations:

Working Opportunity Fund (EVCC) Ltd. (the “Fund”) is a company incorporated under the laws of British Columbia on November 5, 1991, as a vehicle for individual British Columbians to invest indirectly, and with the objective of long-term capital appreciation, in certain small and medium-sized businesses in British Columbia. The address of the principal place of business of the Fund is 1830 - 1066 West Hastings Street, Vancouver, BC V6E 3X2. The manager of the Fund is PenderFund Capital Management Ltd. (the “Manager”). The Manager became manager effective March 1, 2019, under a management agreement dated December 21, 2018 (the “Management Agreement”). Prior to March 1, 2019 the Fund manager (the “Initial Manager”) and principal distributor was GrowthWorks Capital Ltd., which managed the Fund pursuant to an amended and restated management agreement dated November 6, 2007 (the “IM Management Agreement”).

All information for periods prior to March 1, 2019 included in these financial statements is as reported by the Initial Manager.

The Fund is registered as an employee venture capital corporation under the Employee *Investment Act (British Columbia)* (the “Act”), which entitled subscribers of the Fund’s Class A shares to obtain a British Columbia tax credit and requires the Fund to comply with the Act and the employee venture capital plan (the “Plan”) filed with the Administrator of the Act. The Act defines the investments which the Fund may make, and the regulations under the Act and Plan define the period over which venture investments must be made. As required under the Act, the Fund has a labour sponsor which is Working Enterprises Ltd.

The Fund is also a prescribed labour sponsored venture capital corporation under the *Income Tax Act (Canada)*, which entitled subscribers of the Fund’s Class A shares to obtain Federal tax credits.

The Fund has two types of Class A shares: Venture Series, consisting of the Balanced Shares (series 1) and Balanced Shares (series 2), and Commercialization Series, consisting of the 05 Commercialization Shares (series 2). Please see Note 8 for additional details. “Series” and “Class A Shares” in these financial statements refers to any, some or all of the Venture Series and Commercialization Series, as the context requires. The Venture Series and Commercialization Series each participate in separate investment portfolios.

The Fund manages liquidity separately for the Venture Series and the Commercialization Series. As provided for in the Fund’s articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances. The Venture Series is currently closed for redemptions. On October 30, 2014, the Fund announced it had adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions of investments. The Fund does not expect to reopen redemptions of the Venture Series. Please refer to Note 13 for additional details. On July 3, 2020, the Fund announced that it had decided to provide liquidity through dividends for Commercialization Series shareholders, and to close the Commercialization Series to redemptions. In connection with that announcement, the Fund declared a \$3.8 million dividend for the Fund’s Commercialization Series’ shares. Prior to July 3, 2020, the Commercialization Series was open to redemptions. Please refer to Note 15 for additional details.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

1. Incorporation and nature of operations (continued):

Under the Management Agreement, the Fund and the Manager have agreed to use reasonable commercial efforts to effect a reorganization of the assets of the Fund, and since March 1, 2019, the Manager and the Fund have been evaluating numerous aspects of the previously announced potential reorganization, including working through tax considerations and reviewing opportunities for liquidity and cost savings.

Terms of a potential reorganization that could enhance liquidity have not been finalized and the Fund continues its work in this area which has taken longer than expected. To move forward, the Fund has established a special committee to work through key structuring matters involved with a potential reorganization which has been impacted by the uncertainty of the COVID-19 situation and significant volatility in equity markets. As provided for in the Management Agreement, as part of the Fund work on a potential reorganization, the Fund's board assessed the liquidity of the Commercialization Series and determined a course of action for the Commercialization Series taking into account portfolio composition, liquidity options and such other factors as considered relevant on the advice of advisors. See Note 15. A potential reorganization transaction would require shareholder approval, certain regulatory approvals and approvals of the boards of the Fund, its labour sponsor and the Manager acting reasonably. A detailed information circular describing the potential reorganization is required to be mailed to shareholders in conjunction with seeking any such shareholder approval. There can be no guarantee that terms of a potential reorganization will be finalized, that required approvals will be received and/or that the Fund will complete a reorganization as previously described or otherwise.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board on August 25, 2020.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, except for financial instruments classified as "at fair value through profit or loss", as described in Note 3, which are measured at fair value.

(c) Investment entity:

The Fund has determined that it is an Investment Entity under IFRS, as the business purpose of the Fund is to provide investment income and long term capital growth to investors in the Fund and the Fund measures and evaluates the performance of all of its investments on a fair value basis.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

2. Basis of preparation (continued):

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars which is the Fund's functional currency.

3. Significant accounting policies:

(a) Financial instruments:

The Fund recognizes financial instruments when it becomes party to a contract. Regular way or normal course purchases and sales of financial assets are recognized at their settlement date. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or when the Fund has transferred substantially all risks and rewards of ownership. Financial instruments are measured at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured subsequently at FVTPL. Measurement subsequent to initial recognition depends on the classification of the financial instrument.

(i) Financial assets measured at fair value through profit and loss:

Financial assets are classified as FVTPL when they are held within a business model which manages and evaluates the assets on a fair value basis. The Fund's investments including bonds, deposits and other investments and venture investments, are classified as FVTPL and are measured at fair value with changes in fair value recognized in the statements of comprehensive income.

(ii) Financial assets and financial liabilities measured at amortized cost:

The Fund's other financial assets and financial liabilities are held in order to collect contractual cash flows which consist solely of principal and interest, and are measured at amortized cost, net of a loss allowance for expected credit losses. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted when appropriate at the contract's effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

(b) Fair value measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Publicly traded venture investments:

Venture investments with quoted prices in an active market are valued at each reporting date based on the closing bid price, unless there is evidence that another price within the bid-ask spread better represents fair value.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

3. Significant accounting policies (continued):

(b) Fair value measurements (continued):

(ii) Privately owned venture investments:

Venture investments which do not have quoted market prices are valued on the basis of generally accepted valuation methods that best and most objectively reflect the expected realizable value that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length and without constraints. The initial transaction price of a venture investment is considered to be a reasonable approximation of its fair value on the date on which the investment is made. Thereafter, a variety of valuation methods are used, and assumptions made that are based on market conditions that exist at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions or bona fide enforceable offers, multiple-based techniques where there is a track record of relevant performance and other valuation techniques commonly used by market participants. The valuation techniques used make the maximum use of market inputs and rely as little as possible on entity-specific or unobservable inputs.

The process of valuing venture investments for which no public market exists is based on inherent uncertainties, and the resulting values may differ from values that would have been observed had a ready market existed for the venture investments. These differences could be material to the fair value of the Fund's venture investment portfolio.

(c) Impairment of financial assets measured at amortized cost:

At each reporting date, the Fund assesses the risk of default for financial assets measured at amortized cost and recognizes a loss allowance equal to weighted average expected credit losses. Credit losses are recognized as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and the cash flows that the entity expects to receive, discounted at instrument's original effective interest rate. Expected credit loss allowances on financial assets measured at amortized cost are reversed in subsequent years if the amount of the expected credit loss decreases.

(d) Classification of redeemable shares:

The Fund's Class A shares are redeemable at the option of the holder, subject to certain restrictions and exceptions described in Note 8. As the Fund's Class A shares do not meet the exception criteria in IAS 32 for classification as equity, the Fund's Class A shares are classified as financial liabilities and the financial obligation to redeem Class A shares has been presented on the statements of financial position as "Net assets, attributable to holders of Balanced Shares/Commercialization Series Shares".

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

3. Significant accounting policies (continued):

(e) Income and expense recognition and allocation:

Interest, dividends and other income from investments are recorded on the accrual basis when the right to payment is established and collection is reasonably assured, using the effective interest rate method. Realized gains or losses arising on the sale of investments are determined using the weighted average cost basis.

The Fund's Venture Series participate in the same venture investment portfolio and in the same non-venture portfolio. The Fund's Commercialization Series participate in a common portfolio of venture and non-venture investments that is separate from the Venture Series' portfolio.

Generally, income and realized and unrealized gains or losses on investments are allocated to each of the Venture Series on the basis of specifically identifiable ownership of investments in the portfolio or on the basis of the shared interest of each Series in the investment portfolio. Expenses are allocated to each Venture Series on a specifically identifiable basis or on the basis of the shared interest of each Series in the Net Assets of the Fund.

(f) Income taxes:

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses, credits and other deductions carried forward. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. A valuation allowance is recorded against any deferred income tax asset if it is not probable that the asset will be realized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the year that enactment or substantive enactment occurs.

The Fund is a single entity for income tax purposes and computes its taxable capital and income or loss for tax purposes as such. All revenue, expenses, capital gains and losses, either common to all Series or to a particular Series, will be taken into account in determining the taxable income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole. Income taxes recorded within each Series' financial statements are determined on an individual Series basis as if each Series were filing a separate income tax return. The Fund's tax loss pools are allocated as needed to the Series with taxable income and thereafter on a proportionate basis.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

3. Significant accounting policies (continued):

(g) Foreign currency translation:

Purchases and sales of venture investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction or receipt of funds. The Venture Series and the Commercialization Series hold certain venture investments which are denominated in US dollars. The fair value of these investments is translated to Canadian dollars at the rate of exchange at each reporting date. Net realized and unrealized gains and losses from these investments include the realized and unrealized foreign exchange gains and losses.

(h) Net assets, attributable to holders of Class A shares per share:

Net assets, attributable to holders of Class A shares (“Net Assets”) per share is calculated based on the number of shares outstanding at the end of the period. The increase (decrease) in net assets attributable to holders of Class A shares per share is calculated based on the weighted-average number of shares outstanding during the period. Net assets attributable to holders of Class A shares which are calculated using IFRS for financial reporting purposes may be different from the pricing net asset value used for the purposes of share sales and redemptions (“Pricing NAV”). Further details can be found in Note 12.

(i) Incentive participation dividends and conditional incentive participation dividends:

In the comparative period and until February 28, 2019, incentive participation dividends (“IPA dividends”) on Class B shares (the “IPA Shares”) were accrued weekly when certain investment performance conditions were met (as described in Note 11) and were paid following the end of each quarter subject to approval and declaration by the Board. The provision for conditional incentive participation dividends (“Conditional IPA dividends”) on the IPA Shares is a provisional estimate of the IPA dividends that would be payable if the entire venture portfolio were disposed of at the estimated fair value as at each reporting date. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts would only be paid on the sale of the relevant portfolio investment (the “Contingent IPA dividend”). The Manager does not hold any IPA Shares. Refer to Notes 8 and 11 for additional details.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

4. Critical accounting estimates and judgements:

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities at the date of these financial statements and the reported amounts of certain income and expenses during the period.

(a) Fair value of venture investments:

The fair value of venture investments which are not quoted in an active market are estimated using valuation techniques which require significant judgment, including an assessment of the financial condition of the investee, achievement of performance milestones, and other factors. Assumptions underlying investment valuations are limited by the availability of reliable data and the uncertainty of predictions concerning future events. Refer to Note 6 for further information about fair value measurements.

On January 31, 2020, the Fund announced a reduction in carrying value of \$11.8 million for Venture Series and \$1.6 million for Commercialization Series of one Funds' private portfolio companies which had accepted a term sheet for a significant equity financing at a lower level than its prior equity financings. This represented a reduction in Pricing NAV of approximately 13.8% and 14.0% for Venture and Commercialization Series respectively. Subsequently, on February 28, 2020, the Fund further reduced the carrying value of the private portfolio company by \$10.8 million for Venture Series and \$1.1 million for Commercialization Series to reflect the expected economics of the alternate financing the portfolio company had negotiated and would later secure. This represented a further reduction in Pricing NAV of approximately 14.6% and 12.1% respectively. While the determination to recognize the reduction in carrying value of the private portfolio company was made based on information available in January and February 2020, the reduction was recognized in the Fund's financial statements effective as of December 31, 2019, as the determination was made before the Fund's financial statements had been authorized for issue. For purposes of determining Pricing NAV, the two reductions in carrying value were recognized effective January 31, 2020 and February 28, 2020, respectively.

(b) Measurement and recognition of Conditional IPA dividends:

The provision for Conditional IPA dividends is based on the amount that would be payable if the Fund's investment portfolio were disposed of at its fair value at the reporting date. IPA dividends which become payable based on actual realized gains and losses may differ from the provision for Conditional IPA dividends. Under the rights attached to the IPA Shares, certain amounts referred to as Contingent IPA are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment. The Manager does not hold any IPA Shares. Please refer to Notes 8 and 11 for additional details.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

5. Capital management:

The Fund defines Net Assets as its capital for capital management purposes. The Fund's capital management objectives are to enhance the Net Assets of the Fund through managing its funds in order to have sufficient cash flows from investments to provide for its liquidity requirements. The Fund manages and monitors liquidity and assesses the capital resources and requirements separately for the Commercialization Series and the Venture Series.

The Fund is subject to investment requirements imposed by the Act as described in Note 1. The Act defines the investments which the Fund may make, and the regulations under the Act and Plan define the period over which venture investments must be made. Until eligible venture investments are made, an amount equivalent to 30% of the proceeds from the issue of Class A shares of the Fund must be held in an Investment Protection Account. Amounts may only be withdrawn from the Investment Protection Account with the concurrence of the Administrator as eligible investments are made. As at June 30, 2020 and December 31, 2019, the Fund did not have funds held in an Investment Protection Account as it is ahead of its pacing requirements.

6. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability accessible by the Fund or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(a) Classification of financial instruments:

The following is a summary of the classification of the Fund's financial instruments, excluding provisions and redeemable shares, as at June 30, 2020 and December 31, 2019. Financial assets measured at FVTPL under IFRS 9 were previously designated at FVTPL. Financial assets measured at amortized cost were previously classified as loans and receivables and measured at amortized cost. Financial liabilities continue to be measured at amortized cost under IFRS 9.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

6. Fair value measurement (continued):

(a) Classification of financial instruments (continued):

	Balanced Shares (Series 1 & 2)		Commercialization Series	
	2020	2019	2020	2019
Financial Assets				
Measured at FVTPL				
Venture investments	\$ 55,455,906	\$ 60,722,707	\$ 1,422,029	\$ 1,573,585
	55,455,906	60,722,707	1,422,029	1,573,585
Measured at amortized cost				
Cash	\$ 1,172,003	\$ 2,442,742	\$ 5,319,567	\$ 8,369,592
Accounts receivable	302,746	194,597	8,690	2,979
Accrued interest receivable	483	3,841	4,668	15,753
	1,475,232	2,641,180	5,332,925	8,388,324
	\$ 56,931,138	\$ 63,363,887	\$ 6,754,954	\$ 9,961,909
Financial Liabilities				
Measured at amortized cost				
Accrued service fees payable	\$ -	\$ -	\$ 20,216	\$ 15,959
Other accounts payable	432,701	534,689	77,659	77,964
	\$ 432,701	\$ 534,689	\$ 97,875	\$ 93,923

(b) Fair value measurement hierarchy:

Fair value measurements are analyzed by level in the fair value hierarchy as follows:

- (i) Level 1 are measurements at quoted prices (unadjusted) within the bid-ask spread which best represents fair value in active markets for identical assets or liabilities
- (ii) Level 2 consist of bonds and deposits measured through valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly based on prices reported by an independent third-party pricing service, and
- (iii) Level 3 measurements are valuations based on generally accepted valuation techniques, as described in Note 3(b).

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

6. Fair value measurement (continued):

(b) Fair value measurement hierarchy (continued):

Management applies judgment in categorizing financial instruments using the fair value hierarchy. A fair value measurement which uses observable inputs that require significant adjustment is considered to be a Level 3 measurement. The following is a summary of the classification in the fair value hierarchy of the Fund's financial instruments measured at FVTPL for June 30, 2020 and December 31, 2019:

2020	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2)				
Venture investments	\$ -	\$ -	\$ 55,455,906	\$ 55,455,906
Commercialization Series				
Venture investments	-	-	1,422,029	1,422,029
<hr/>				
2019	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2)				
Venture investments	\$ -	\$ -	\$ 60,722,707	\$ 60,722,707
Commercialization Series				
Venture investments	-	-	1,573,585	1,573,585

All fair value measurements in the tables above are recurring. Transfers between levels of the fair value hierarchy are deemed to have occurred at January 1 of the period. During the period ended June 30, 2020 and December 31, 2019 there were no transfers between any levels of the fair value hierarchy. The carrying value of other financial instruments, which are measured at amortized cost, approximates fair value in view of their short-term maturities.

The manager of the Fund is responsible for preparing the valuations of venture investments in private entities in accordance with the Fund's Plan and for monitoring the performance of the investee companies and market conditions for changes on an ongoing basis. The Fund's Plan complies in all material respects with the IFRS requirements for measuring fair value. The valuations of venture investments are reviewed and accepted at December 31 of each year by the Fund's Valuation Committee and are reviewed by an independent business valuator annually.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

6. Fair value measurement (continued):

(c) Sensitivity of quantitative inputs to Level 3 fair value measurements:

The process of estimating the fair value of venture investments in private entities inherently involves measurement uncertainties and is based on techniques and assumptions that incorporate both qualitative and quantitative information and analysis. Fair value inputs consist primarily of the price of recent transactions or bona fide enforceable offers adjusted as deemed necessary for the existence of strategic interests and the subsequent performance of the investee compared to internally developed milestones or other available evidence of impairment or value creation. As such, there is no reasonable basis on which to estimate the impact of reasonably possible changes in these factors for many of the Fund's fair value measurements.

Venture investments in private entities with sustainable, recurring revenues may be valued using a comparable revenue multiple approach. In applying this approach, the manager of the Fund selects comparable public entities with similar risk and growth profiles and calculates an average enterprise value (EV) / revenue multiple applicable to the investee. Revenue multiples derived from comparable public entities may be discounted for lack of liquidity and other relevant factors before being applied to the valuation of the investee. Venture investments in private entities may also be adjusted by a discount factor for risks related to performance against expectations and the time value of money. The following table shows the sensitivity of the Fund's fair value measurements, which incorporates quantitative inputs to reasonably possible changes in those inputs:

June 30, 2020

Unobservable quantitative input	Fair value measured using the quantitative input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift in input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 44,435,488	3.9	0.5	\$ 5,982,000 (3,195,000)	\$ 807,000 (357,000)
Discount factor	\$ 300,040	82%	18%	\$ 300,000 (300,000)	\$ - -

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

6. Fair value measurement (continued):

(c) Sensitivity of quantitative inputs to Level 3 fair value measurements (continued):

December 31, 2019

Unobservable quantitative input	Fair value measured using the quantitative input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift in input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 43,428,372	3.9	0.5	\$ 5,800,000 (3,100,000)	\$ 632,000 (532,000)
Discount factor	\$ 287,022	82%	18%	\$ 287,000 (287,000)	\$ - -

(d) Reconciliation of Level 3 fair value measurements:

The reconciliation of changes for investments measured at fair value using unobservable inputs (Level 3) for the six month period ended June 30, 2020 and the year ended December 31, 2019 is:

2020	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance, Jan 1, 2020	\$ 60,722,707	\$ 1,573,584
Purchases	-	-
Sales	-	-
Realized gains	-	-
Change in unrealized appreciation	(5,266,801)	(151,555)
Ending balance, June 30, 2020	\$ 55,455,906	\$ 1,422,029
Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	\$ (5,266,801)	\$ (151,555)

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

6. Fair value measurement (continued):

(d) Reconciliation of Level 3 fair value measurements:

2019	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance, Jan 1, 2019	\$ 81,754,601	\$ 10,930,439
Purchases	-	-
Sales	(570,388)	(5,954,474)
Realized gains	77,709	(51,299)
Change in unrealized appreciation	(20,539,215)	(3,351,081)
Ending balance, December 31, 2019	\$ 60,722,707	\$ 1,573,585

Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	\$ (20,505,945)	\$ (3,332,161)
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7. Financial risks and risk management:

Beginning in late 2019, the outbreak of a novel strain of coronavirus ("COVID-19") spread rapidly to many parts of the world. In March 2020, the World Health Organization declared COVID-19 a health pandemic. The pandemic resulted in measures to contain the virus including quarantines, travel restrictions, and the temporary closure of stores and facilities in most of the world. The negative economic impact of these measures together and the uncertainty of the situation led to significant volatility in equity markets, as well as a general slow-down in merger and acquisitions activity and venture capital financing, increasing the exposure of the Fund and its investee companies, to risk, particularly liquidity risk, market risk and price risk. While governmental initiatives to reduce the economic impact and more recent measures to reopen the economy may mitigate volatility, exposure to risk and financial results will depend, to a large extent, on future developments and new information that may emerge regarding COVID-19, factors which are beyond the Fund's control. Given the extent of the crisis, it is difficult to estimate the ultimate impact or duration of the situation on the Fund and/or its investee companies.

The financial risks of the Fund and the management of these risks are:

(a) Liquidity risk:

Liquidity risk is the risk that the Fund will have difficulty meeting its financial obligations as they become due. The Fund manages liquidity risk by monitoring the factors that draw on liquidity, managing the timing of asset realizations, and seeking to hold a portion of its portfolio in cash and investments readily convertible to cash. Venture investments in private companies are generally illiquid and exit opportunities may not arise when expected or at all.

The Fund's financial liabilities, except provisions and redeemable shares, are due on demand. The Balanced Shares (series 1 & 2) are not open for redemption currently, as described in Note 1.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

7. Financial risk management (continued):

(a) Liquidity risk (continued):

As at June 30, 2020, approximately 49% (December 31, 2019 - 23%) of the Commercialization Series shares are eligible for redemption, subject to the restrictions described in Note 8, with the remaining shares becoming eligible for redemption over the next year (December 31, 2019 - 1-2 years). However, on July 3, 2020 the Fund announced it had closed the Commercialization Series to redemptions. Please refer to Note 15 for additional details.

(b) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge a payment obligation of the instrument, causing a financial loss. The maximum exposure to credit risk as at June 30, 2020 and December 31, 2019 is:

(i) Bonds, deposits and other investments:

Bonds, deposits and other investments may be given a credit rating by credit rating agencies based on how much credit risk they represent; the higher the credit rating, the lower the credit risk. The Fund manages this risk by generally investing in instruments issued by governments, financial institutions and issuers with credit ratings at the higher end of the range.

	2020		2019	
	Balanced Shares (series 1 & 2)	Commercialization Series	Balanced Shares (series 1 & 2)	Commercialization Series
Venture debt investments (ii)	\$ -	\$ 250,000	\$ -	\$ 250,000
Accounts receivable	302,746	8,690	194,597	2,979
Accrued interest receivable	483	4,668	3,841	15,753
	\$ 303,229	\$ 263,358	\$ 198,438	\$ 268,732

(ii) Venture debt investments:

The Fund's venture investments include debt instruments which expose the Fund to credit risk. Most debt instruments held by each Series are convertible into equity securities or are expected to be converted before a divestment opportunity arises. In addition, the Series may hold debt instruments which are secured. In the event of a potential distressed liquidation, this security would rank senior to equity investors and often to many creditors. In the event the portfolio company fails and is unable to fully discharge its obligations, the Fund may be in a position through its security to monetize the company's assets, including intellectual property, and to recoup its principal to the extent possible. As at June 30, 2020 and December 31, 2019 the Fund held no venture debt investments that were past due but not impaired. As at June 30, 2020 and December 31, 2019 each of the Venture Series and the Commercialization Series held no venture debt investments which are impaired as the expected recovery from a transaction affecting the underlying investee is less than the face value of the debt investment.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

7. Financial risk management (continued):

(c) Currency risk:

Currency risk is the risk that financial instruments denominated in a currency other than Canadian dollars will fluctuate due to changes in the exchange rate between the Canadian dollar and the currency in which the investment is measured. The Fund manages currency risk associated with its venture portfolios by seeking to minimize the number of venture investments it makes in currencies other than Canadian dollars, to the extent possible. As venture capital investments mature through additional rounds of financing and attract investment from the United States of America, the currency measurement of investments initially made in Canadian dollars often change to US dollars. The Fund's exposure to the US dollar as at June 30, 2020 and December 31, 2019 is:

	2020			2019		
	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)
Balanced Shares	\$ 37,953,755	67.18%	3.36%	\$ 36,306,995	57.79%	2.89%
Commercialization Series	540,339	8.77%	0.44%	516,895	5.24%	0.26%

(d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's venture investment portfolios may contain debt instruments which are convertible into equity and which are generally expected to be converted before a divestment opportunity arises. The interest rate risk from venture debt investments is reduced as their valuation is generally based on the underlying equity securities of the entity into which the debt is convertible or expected to be converted.

Bonds, deposits and other investments are subject to interest rate risk which may affect the value of these instruments. When market interest rates rise, the value of traded interest-bearing instruments held by the Series generally falls due to a decline in demand for lower yielding instruments. The Fund's strategy for managing this risk is to monitor and adjust interest-bearing portfolio holdings in light of prevailing and expected movements in short, medium and long-term interest rates and bond prices. This may include incurring early redemption penalties in order to re-invest capital at higher rates.

As at June 30, 2020 and December 31, 2019 the Fund had no exposure to interest rate risk as it did not hold bonds, deposits and other investments.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

7. Financial risk management (continued):

(e) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than changes caused by interest rate or currency risk). The Fund held no publicly traded investments as at June 30, 2020 and December 31, 2019.

8. Share capital:

Authorized:

Unlimited number of Class A shares without par value, voting, with restrictions on transfer and redemptions, issuable in series and redeemable at the Pricing Net Asset Value (as described in Note 12) of a series share. The currently authorized series are:

Venture Series

Unlimited number of Balanced Shares (series 1)
Unlimited number of Balanced Shares (series 2)
Unlimited number of Growth Shares (series 1)
Unlimited number of Growth Shares (series 2)
Unlimited number of GIC Shares (series 2)
Unlimited number of Income Shares (series 2)
Unlimited number of Financial Services Shares (series 2)
Unlimited number of Resource Shares (series 2)
Unlimited number of Diversified Shares (series 2)

Commercialization Series

Unlimited number of 05 Commercialization Shares (series 2)
Unlimited number of Commercialization Shares (series 2-2006)
Unlimited number of Commercialization Shares (series 2-2007)
Unlimited number of Commercialization Shares (series 2-2008)
Unlimited number of Commercialization Shares (series 2-2009)
Unlimited number of Commercialization Shares (series 2-2010)
Unlimited number of Commercialization Shares (series 2-2011)
Unlimited number of Commercialization Shares (series 2-2012)
Unlimited number of Commercialization Shares (series 2-2013)
Unlimited number of Commercialization Shares (series 2-2014)

Unlimited number of Class B shares without par value, issuable in series. The currently authorized series is: Unlimited number of IPA Shares, non-transferable and non-voting.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

8. Share capital (continued):

Authorized (continued):

As a result of various consolidations among the Venture Series, the only issued and outstanding Venture Series shares are the Balanced Shares (series 1) and the Balanced Shares (series 2) and as a result of the various conversions of Commercialization Series shares into 05 Commercialization Shares, the only issued and outstanding Commercialization Series shares are the 05 Commercialization Shares. Prior to the change in manager, Balanced Shares (series 1) and Balanced Shares (series 2) differed only in the management fee structures relating to each series of shares. Under the Management Agreement, Balanced Shares (series 1) and Balanced Shares (series 2) have the same management fee structure. Further details can be found in Note 11.

(a) Class A Shares:

The following Class A shares were redeemed during the six months ended June 30, 2020:

Number of Class A Shares (in 000's)	Outstanding Shares at Beginning of period	Redemption of Shares	Outstanding Shares at End of period
Balanced Shares (series 1)	4,013	-	4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Series	1,424	(421)	1,003

The following Class A shares were redeemed in the six months ended June 30, 2019:

Number of Class A Shares (in 000's)	Outstanding Shares at Beginning of period	Redemption of Shares	Outstanding Shares at End of period
Balanced Shares (series 1)	4,013	-	4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Series	1,833	(337)	1,496

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

8. Share capital (continued):

(a) Class A Shares (continued):

The Fund has always reserved the right to not pay the service/trailer commissions if the amounts are less than a minimal amount or in other specific circumstances it may specify from time to time. Effective for the first quarter of 2019, the Fund's Board specified the Venture Series shares continuing to be off redemption as the Fund continues to work towards a potential reorganization of assets as such a circumstance in which the Fund will not pay service/trailer commissions on the Venture Series shares. Accordingly, the Fund ceased paying service fees/trailer commissions with respect to Venture Series shares beginning January 1, 2019. For the Commercialization Series, through to June 30, 2020, the Fund paid a service fee of 0.5% of Pricing NAV per annum or 1% of Pricing NAV per annum to all registered dealers for selling shares, depending on whether a 5% commission or 2% commission was paid by the Fund (as selected by the dealer) on the initial purchase. Services fees remained payable until the related Commercialization Series shares are redeemed. During the period ended June 30, 2020, a total of \$20,216 (June 30, 2019 - \$37,140) was paid by the Fund for service fees related to Commercialization Series shares (June 30, 2019 - Class A shares). Subsequent to June 30, 2020, the Board of the Fund also decided to cease paying trailer commissions to dealers on the Commercialization Series as the Fund's Board specified the payment of the \$3.8 million dividend and closure of redemptions of Commercialization Series as a circumstance in which the Fund will not pay service/trailer commissions on the Commercialization Series shares. Accordingly, the Fund ceased paying service fees/trailer commissions with respect to the Series shares beginning July 1, 2020. Please refer to Note 15 for additional details.

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund's board declares them, with the dividends being paid out of the assets attributed to that Series as described in Note 13.

The rights and restrictions attached to the Class A Shares also provide, among other matters, that generally shareholders may request redemption of their shares at any time after eight years from the date they were issued. As provided for in the Fund's articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances which includes if the redemption would create a working capital deficiency for the Fund, cause it to be in default of its financial obligations under an arm's length loan agreement, if the Fund is insolvent or the redemption would cause the Fund to become insolvent, or if total redemptions in any fiscal year exceeded 20% of the Fund's retained earnings as at the last day of the immediately preceding financial year or 50% of the Fund's net earnings after taxes for the previous fiscal year. Following the adoption of the cash dividend distribution policy(as described in Note 13) for the Venture Series only, the Fund does not expect to reopen redemptions of the Venture Series generally and expects to process Venture Series shares redemptions only in the very limited circumstances relating to hardship dispositions, provided there are available funds to do so. The cash dividend. On July 3, 2020 the Fund announced it had closed the Commercialization Series to redemptions. Please refer to Note 15 for additional details.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

8. Share capital (continued):

(b) Class B Shares:

distribution policy only applies to the Fund's Venture Series shares and will not affect redemptions of Commercialization Series shares as the Fund manages liquidity separately for Venture Series shares and the Commercialization Series shares.

There are 100 Class B Shares ("IPA Shares") issued and outstanding which are held solely by the Initial Manager. Until February 1, 2019, the Initial Manager was entitled to IPA dividends on the IPA Shares, paid quarterly, equal to 20% of the realized gains and income from a venture investment owned by or allocated to Series 2 shares when the following conditions are met:

- The total net realized and unrealized gains and income from the portfolio of venture investments allocated to the particular series of shares since the date on which that series was initially offered exceeds the average 5 year GIC rate plus 2%
- The return from that venture investment exceeds an annual rate of return on that investment of 12%
- The principal invested in that venture investment has been fully recovered.

From time to time, the Series is required to accrue Conditional IPA dividends. Conditional IPA dividends are not amounts that are actually paid or payable, but are an estimate of IPA dividends that would be payable if the entire venture portfolio were disposed of at the estimated fair value as of the period end. Under the rights attached to the IPA Shares, certain amounts referred to as Contingent IPA are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which would only be paid on the sale of the related portfolio investments. Please refer to Note 11 for additional details. All interest income received or accrued on venture investments that is used or will be used or allocated for the purposes of paying dividends in accordance with dividend policies for the Commercialization Series, as described in Note 13, is excluded from the calculation of IPA dividends.

9. Income taxes:

The Fund is a single entity for the purposes of reporting its income taxes under the Income Tax Act.

The Fund qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). As such, income taxes payable by the Fund on net realized capital gains will be fully refundable on a formula basis when shares are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its shareholders. Income taxes payable on net investment income, other than capital gains, and certain dividends received from Canadian corporations, will be partially refundable upon the payment or deemed payment of taxable dividends, other than capital gains dividends. The Fund will record the refundable portion of its income taxes as an asset to the extent that such amounts will be recovered through the distribution of a Class A share dividend from net investment income and/or realized capital gains on investments.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

9. Income taxes (continued):

The Fund did not have taxable income after applying available unused capital and non-capital income tax losses carried forward and was not assessed income taxes for the years ended December 31, 2019 and 2018. As at the end of the 2019 tax year, the Fund has non-capital losses of approximately \$51.7 million available for deduction against future taxable incomes which, if unused, will expire between 2027 and 2039. The Fund also had capital losses, subject to certain restrictions, of approximately \$143.5 million available for deduction against future capital gains which have no expiry date.

The potential future benefits arising from the Fund's net deferred tax assets have not been recognized in these financial statements as their realization is uncertain.

10. Significant influence over investees:

The Fund has significant influence over an investee when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence, as defined by IFRS, exists when the Fund holds at least 20% but not more than 50% of the voting power of the investee or if it participates significantly in the financial and operating policy decisions in other ways, such as through representation on the board of directors. As at June 30, 2020 and December 31, 2019, the Fund has assessed that it has significant influence over the following investees:

Investee	Percentage ownership
Sandbox Technologies Inc.	48.5%
1150818 B.C. Ltd.	33.8%
4300092 Canada Inc.	23.6%

As at June 30, 2020 and December 31, 2019, the Fund did not provide financial support to these investees and has no intention of providing financial or other support in the future. The principal place of business of these investees is British Columbia, Canada. The Fund does not have control or joint control over any of its investees.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

11. Management agreement:

During the year ended December 31, 2019, there was a change in the manager of the Fund and the management agreement. Refer to Note 1 for additional details.

(a) Fees payable up to February 28, 2019:

Under the IM Management Agreement, the Initial Manager provided management services to the Fund until February 28, 2019.

Under the IM Management Agreement, the Initial Manager was responsible for paying the Fund's general operating expenses, with the following exceptions: management fees payable to the Initial Manager, applicable taxes, capital items, commissions, a portion of fees payable to the Fund's IRC and expenses unique to early stage, research and/or development company investing.

(i) Fees payable by Balanced Shares (series 1) ("Series 1 shares") shareholders:

Under the terms of the IM Management Agreement, the Fund paid the Initial Manager a monthly fee of 2.22% to 3.01% of the Fund's month end Pricing NAV of the Series 1 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes. The fees under this agreement for the two month period from January 1, 2019 to February 28, 2019 were \$120,228, including GST of \$5,725.

The Initial Manager was also entitled to a performance bonus equal to 20% of the net return on the Series 1 shares' proportionate share of the venture investments in excess of a threshold return of the greater of 10% or the average 5-year GIC rate during the year plus 3%. No performance bonus was paid or payable by the Series 1 shares in the period or in 2019.

(ii) Fees payable by Balanced Shares (series 2) and Commercialization Series shares (together the "Series 2 shares"):

Under the terms of the IM Management Agreement, the Fund pays the Initial Manager a monthly management fee of 2.00% and an administration fee of between 0.50% to 1.29% of the proportionate share of the Fund's month end Pricing NAV attributable to the Balanced Series 2 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes.

The management and administration fees under the IM Management Agreement for the Balanced Shares (series 2) for the period from January 1, 2019 to February 28, 2019 were \$357,248 including GST of \$17,011. The fees under this agreement for the Commercialization Series shares for the two month period from January 1 to February 28, 2019 were \$95,591, including GST of \$4,552.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

11. Management agreement:

(a) Fees payable up to February 28, 2019 (continued):

(ii) Fees payable by Balanced Shares (series 2) and Commercialization Series shares (together the "Series 2 shares") (continued):

The Initial Manager also had a participating interest in the realized gains and income attributable to Commercialization Series shares, payable through dividends on the IPA Shares. During the six months ended June 30, 2020, the Commercialization Series shares recorded no IPA dividends (June 30, 2019 - nil). Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment. The Series has accrued a Contingent IPA dividend payable to the Initial Manager only upon sale of the relevant portfolio company of \$497,448 (June 30, 2019 - \$497,448).

(b) Fees payable February 28, 2019 onward:

Under the Management Agreement, the annual management fee payable is 1.5% of Pricing NAV of the all series of shares of the Fund and the Fund pays operating expenses set out in an annual budget approved by the Fund's Board and any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund's Board, acting reasonably.

The management fees for the Balanced Shares (Series 1) for the six months ended June 30, 2019 were \$139,243 including GST of \$6,782 (four-month period from March 1, 2019 to June 30, 2019 were \$123,710 including GST of \$5,891). The fees under this agreement for the Balanced Shares (Series 2) for the six months ended June 30, 2020 were \$365,640, including GST of \$17,809 (four-month period from March 1, 2019 to June 30, 2019 were \$338,013, including GST of \$16,096). The management fees for the Commercialization Series shares for the six months ended June 30, 2020 were \$57,972 including GST of \$2,824 (four-month period from March 1, 2019 to June 30, 2019 were \$72,758 including GST of \$3,465).

In the period from December 21, 2018 to February 28, 2019, the Manager provided certain services to the Fund to ensure an efficient transfer of management, and received a fee in respect of the Venture Series shares of \$127,320 including GST, of which \$64,253 was paid during the year ended December 31, 2019. Additionally, the Manager received a fee from Commercialization Series shares of \$24,930 including GST, of which \$11,872 was paid during year ended December 31, 2019.

There is no performance bonus for the Manager under the Management Agreement; however, on completion of a possible future reorganization of Fund assets, the Manager will be entitled to a success fee on the same terms and conditions as currently calculated under the Fund's incentive participation shares provided that no such success fee would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

12. Reconciliation of pricing net asset value per share:

The Fund records share issues net of commissions and certain fees and other costs in accordance with IFRS. This results in net assets attributable to holders of Class A shares (“Net Assets”) calculated in accordance with IFRS which differs from that used for the purposes of the sale and redemption of shares of the Fund (“Pricing NAV”). For the purposes of determining Pricing NAV, share issuance commissions and certain fees and other costs are notionally capitalized and amortized on a straight-line basis over the 8-year hold period of the related shares.

As at December 31, 2019, Net Assets were also lower than Pricing NAV for reasons outlined in Note 4: While the determination of a reduction in carrying value of a private portfolio company was made in each of January and February 2020, based on information then- available, a reduction was recognized in the Fund’s financial statements effective as of December 31, 2019, as the determination was made before the Fund’s December 31, 2019 financial statements were authorized for issuance.

The following reconciliation of Net Assets and Pricing NAV at June 30, 2020 and December 31, 2019 identifies the differences between the Pricing Nav per share of the Fund and the net asset values of the shares disclosed in these financial statements:

	2020		2019	
Balanced Shares	Series 1	Series 2	Series 1	Series 2
Series Net Assets per share	\$3.94	\$3.28	\$4.33	\$3.66
Unamortized balance of share issue commissions, fees and other costs per share	-	-	-	-
Portfolio company adjustment	-	-	1.35	1.35
Pricing NAV per share	\$3.94	\$3.28	\$5.68	\$5.01

Commercialization Series	2020	2019
Series Net Assets per share	\$6.14	\$6.58
Unamortized balance of share issue commissions, fees and other costs per share	0.03	0.04
Portfolio company adjustment	-	1.87
Pricing NAV per share	\$6.17	\$8.49

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

13. Series dividend policies:

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund's board declares them, with the dividends being paid out of the assets attributed to that Series.

(a) Venture Series Cash Dividend Distribution Policy:

The Fund has adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions in the Venture Series' portfolio while maintaining funds for strategic follow-on investments (within the existing portfolio only), liabilities and anticipated operating expenses of the Venture Series. There were no cash dividends paid to Venture Series shareholders during the six months ended June 30, 2020 and the year ended December 31, 2019.

(b) Commercialization Series Historic Specific Dividend Policy and after Period End:

The Board adopted a policy to pay dividends on each Commercialization Series equal in total to 25% of the purchase price of its shares during the three year period after the Series was offered for sale. Since its initial offering of the Commercialization Series shares in 2005, the Fund has met this dividend policy each year, completing the final dividend payment on previously offered series in February 2016. Once a Series has completed its dividend payments and has been allocated interest and other income at least equal to the amount of dividends paid under its dividend policy, that Series is converted into shares of the 05 Commercialization Shares at the relative net asset value at that time. No dividends were paid by the Commercialization Series in the six months ended June 30, 2020 and the year ended December 31, 2019.

In accordance the rights and restrictions attached to the Commercialization Series that allow holders to receive dividends if and when the Fund's board declares them, on July 3, 2020, the Fund announced a \$3.8 million dividend for the Fund's Commercialization Series' shares. Please refer to Note 15 for additional details.

14. Independent valuator:

A qualified chartered business valuator within the valuations practice of KPMG, Chartered Professional Accountants, the Fund's independent auditor as at December 31, 2019, performed an independent review of the fair value of the Fund's venture investment portfolio at the Fund's most recent year end (December 31, 2018 - Hay & Watson, Chartered Professional Accountants) as required by National Instrument 81-106 issued by the Canadian Securities Administrators, and reported that the estimated fair value of the venture investment portfolio as determined by the Initial Manager was, in all material respects, reasonable.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Six months ended June 30, 2020

15. Subsequent Event

As announced on July 3, 2020, the Fund declared a \$3.8 million dividend for the Fund's Commercialization Series' shares and closed redemptions of the Commercialization Series.

The Fund's Board undertakes periodic strategic reviews of the Fund and as set out in the management agreement, prior to completing any potential reorganization of the Fund, the Fund's Board is to assess the liquidity of the Commercialization Series and determine a course of action taking into account its portfolio composition, liquidity options and any other relevant factors. The Board of the Fund is of the view that treating all shareholders of Commercialization Series equally is paramount and to that end decided to provide liquidity through dividends, and to close the Commercialization Series on July 3, 2020 to redemptions.

The dividend represented over 60% of the Series' Pricing NAV. In determining the amount of the dividend that was declared, the Board worked with the Manager to determine an appropriate reserve of cash for anticipated operating expenses over the medium term as it seeks to maximize the value of the remaining portfolio. The \$3.8 million dividend was paid effective July 13, 2020. The Manager continues to seek to monetize the remaining private venture investments. The Board will continue to review options to further reduce the operating costs of the Fund, pursue maximizing value and generating liquidity from the remaining investments in the Fund and to consider further strategic options for the Commercialization Series. There can be no guarantee as to the outcome of that further review and/or strategic options that may be available for the Commercialization Series or the Fund.

The decision to close the Commercialization Series to redemptions was made by the Board in accordance with the provisions for ceasing redemptions set out in the Fund's articles, the Plan and the Act. Closing the Series redemptions is based on a decision to return as much cash as possible, equally, to all shareholders. Redemption requests for the Series received by the Fund will continue to be placed in a queue for processing in the order they are received; however, the Board currently does not expect to open redemptions of the Series and instead will seek to distribute available cash from future divestments of portfolio companies equally by way of dividends.

Also as announced July 3, 2020, the Board of the Fund made the decision to cease payment of trailer commissions to dealers on Commercialization Series. The Fund has always reserved the right to not pay service fees/trailer commissions in specified circumstances and the Fund's Board specified the payment of the \$3.8 million dividend and closure of redemptions as such a circumstance. Accordingly, the Fund ceased to pay service fees/trailer commissions with respect to the Commercialization Series shares beginning July 1, 2020.